ductive nature or involving large outlay which cannot reasonably be charged to revenues but should be met from borrowed funds whereby the charges could be spread over a number of years and down to posterity. It is thus on account of this transfer that the expenditure under 'Stoneware Factory' of 'Scientific, etc., Departments' for 1111 is shown as minus 1·46 lakhs in place of Rs. 2·13 lakhs originally estimated that year under 'Scientific, etc., Departments'. Yet another item which went to reduce the actual expenditure of that year (1111) was 'Matches' which came only to Rs. 1·72 lakhs while it was fixed at Rs. 3.65 lakhs in the revised estimate. Being a new item of charge we had no basis to act upon and hence the large variation between the revised and actuals under the head. Such variations, in their very nature, will be found inevitable in all administrations and require to be condoned.

FINANCIAL POSITION AT THE END OF 1111.

5. The year opened with a cash balance of Rs. 22,08,134 and closed with a cash balance of Rs. 22,55,963. The closing balance consisted of the actual cash balance of Rs. 10,24,730 in the Treasuries and the balance in Banks. The total of the investments including the capital outlay at the beginning of 1111 was Rs. 1,70,02,457 and there was an addition of Rs. 4,89,124 in the year. The total at the close of the year was thus Rs. 1,74,91,581 distributed as follows:—

Capital outlay.

			Rs.
1.	Railway		71,00,385
2	Harbour		
	a. Reclamation	Rs. 37,50,000	
	b. Vypeen Foreshore works	,, 15,979	
	c. 1st Stage Works	,, 76,665	
	d. 2nd Stage Works	,, 3,00,000	
	e. 3rd Stage Works	...	
			41,42,644
3.	Stoneware Factory		2,15,551
	Total		1,14,58,580

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Other investments.

Fixed deposits in Banks	55,50,000
Cochin Tanneries	2,42,085
Vaniampara Rubber Co., Ltd.	1,11,181
Cochin Textiles Ltd.	37,500
Cochin State Power and Light Corporation Ltd.	12,000
Pioneer Ltd.	5,000
Cochin Central Co-operative Bank	25,000
Loan to Ernakulam Municipality	45,000
Cochin Thirumala Devaswam	5,135
Other items	100
	60,33,001
Grand total	1,74,91,581

The 1943—53 loan of Rs. 75 lakhs at five per cent floated in 1108 was outstanding at the end of the year as the Fourth Stage Works on Harbour were not started. Another loan of Rs. 30 lakhs carrying interest at 3½ per cent per annum free of Cochin Income-tax and repayable in 1946—51 was floated during the year with a view to meet the increased commitments of the State on account of Harbour Improvements and to enable the Government to have an adequate balance to carry out their ways and means programme. The loan was very heavily oversubscribed and had to be closed immediately thus demonstrating the strength of public confidence in the future of the Cochin Harbour and the high credit of the Government in the financial world. To suit the convenience of small investors, the subscriptions were made payable in four equal instalments by 4th January 1937. Two instalments amounting to Rs. 15 lakhs alone were thus collected during the year.

REVISED ESTIMATE—1112.

6. While framing the budget estimates this time last year, we expected to realise a total revenue of Rs. 101·40 lakhs and programmed for an expenditure of Rs. 100·94 lakhs thus leaving a nominal surplus of Rs. 0·46 lakh. According to the revised estimates prepared on the basis of the figures so far known, we anticipate, however, that we would get a revenue of Rs. 99·88 lakhs alone while it is estimated that the expenditure would rise to Rs. 103·41 lakhs. The current year is thus expected to close with a deficit of Rs. 3·53 lakhs.

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